

**CALIFORNIA ENERGY COMMISSION**

1516 Ninth Street  
Sacramento, California 95814

**WEBSITES**

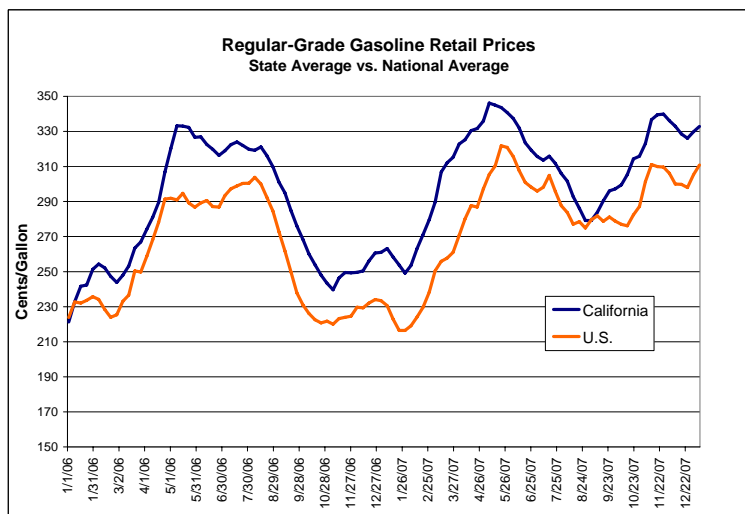
Main website: [www.energy.ca.gov](http://www.energy.ca.gov)

Children's website: [www.energyquest.ca.gov](http://www.energyquest.ca.gov)

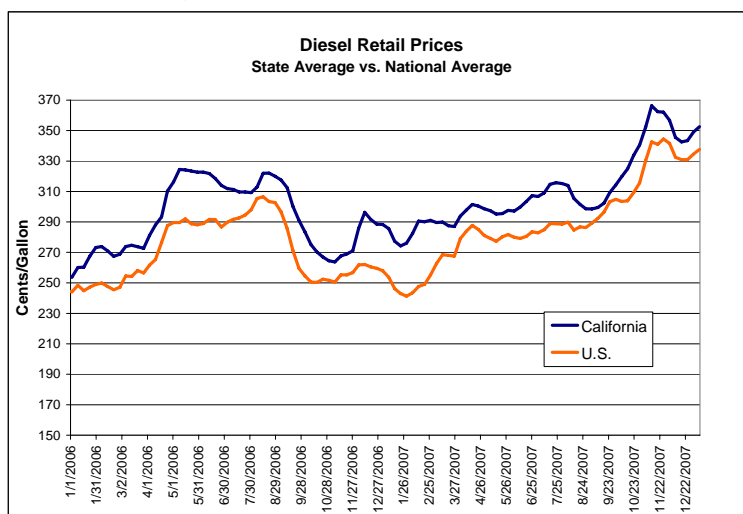
Consumer Information: [www.ConsumerEnergyCenter.org](http://www.ConsumerEnergyCenter.org)

**Petroleum Watch****January 11, 2008*****Retail Gasoline and Diesel Prices on January 7***

- The average California **retail price for regular-grade gasoline** increased 3 cents from last week to \$3.33 per gallon, 3 cents lower than the December 2007 Petroleum Watch report. Prices are 13 cents less than the record high of \$3.46 on May 7 but 70 cents per gallon higher than the same time last year.<sup>i</sup>
- The difference between California and U.S. retail gasoline prices decreased 8 cents from our last report to 22 cents per gallon. U.S. gasoline prices rose 5 cents since December 3 to \$3.11 per gallon and are 80 cents more than reported this time last year.



- After peaking at a new record high of \$3.66 per gallon on November 12, the average California **retail diesel price** fell to \$3.53 per gallon. Prices are 4 cents more than last week but 4 cents less than on December 3. The U.S. retail diesel price recently peaked at a record high of \$3.44 per gallon on November 26 and has since decreased 6 cents to \$3.38 per gallon, 4 cents less than on December 3. The difference between California and U.S. prices has not changed since December 3, remaining at 15 cents per gallon.

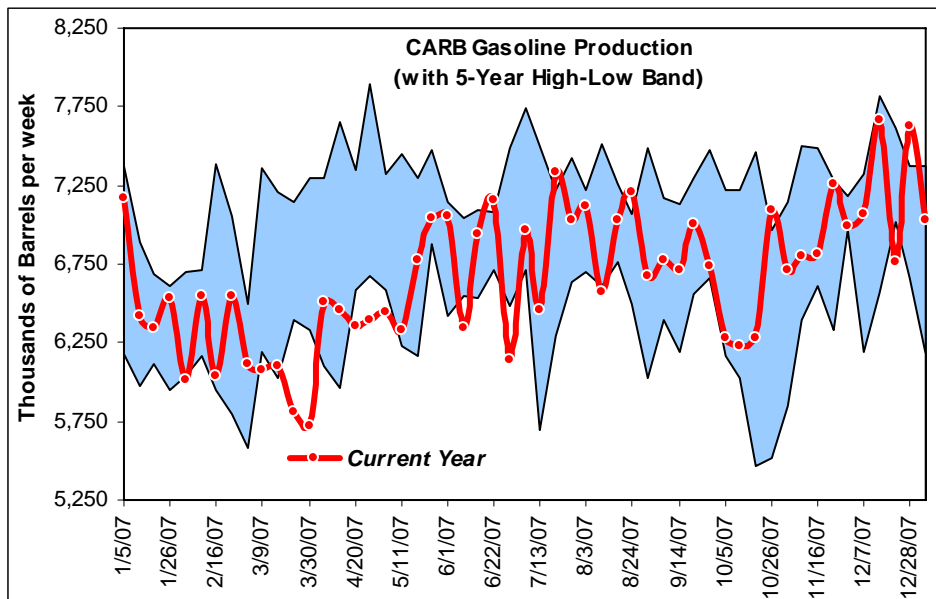


### **Wholesale Gasoline and Diesel Prices on January 8**

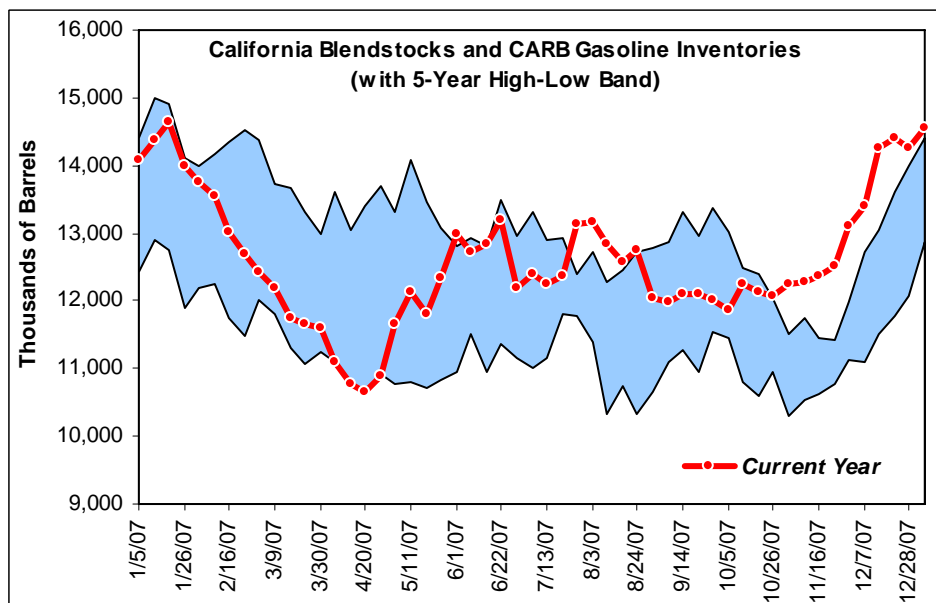
- With record high crude oil prices in recent weeks and low crude oil inventories nationwide, California wholesale gasoline and diesel prices have increased since December 4.
- California spot wholesale gasoline prices for regular-grade reformulated blendstock for oxygenate blending (RBOB) increased to \$2.52 per gallon, 18 cents per gallon more than on December 4 and 83 cents more than on the same day last year.
- Spot prices for RBOB in Los Angeles are 6 cents per gallon more than New York Harbor and 9 cents more than the Gulf Coast.
- California spot **wholesale ultra low-sulfur diesel prices** have increased since the last Petroleum Watch report to \$2.59 per gallon, 11 cents more than on December 4 and 69 cents more than the same day last year.
- California wholesale ultra low-sulfur diesel prices are equal to the Gulf Coast and 4 cents less than New York Harbor, up from 4 cents less than the Gulf Coast and 11 cents less than New York Harbor on December 4.
- California spot gasoline prices ended the reporting week at 7 cents less than California diesel, compared to 15 cents less than diesel on December 4.
- The Energy Information Administration's (EIA) weekly report for the week ending January 4 shows that **U.S. gasoline demand** increased 0.2 percent from the previous week, while distillate demand decreased 2.7 percent from the previous week. The four-week average demand for gasoline is 9.33 million barrels per day, 0.4 percent more than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 4.48 million barrels per day, 6.6 percent more than the same period last year.

## Refinery Production and Inventories

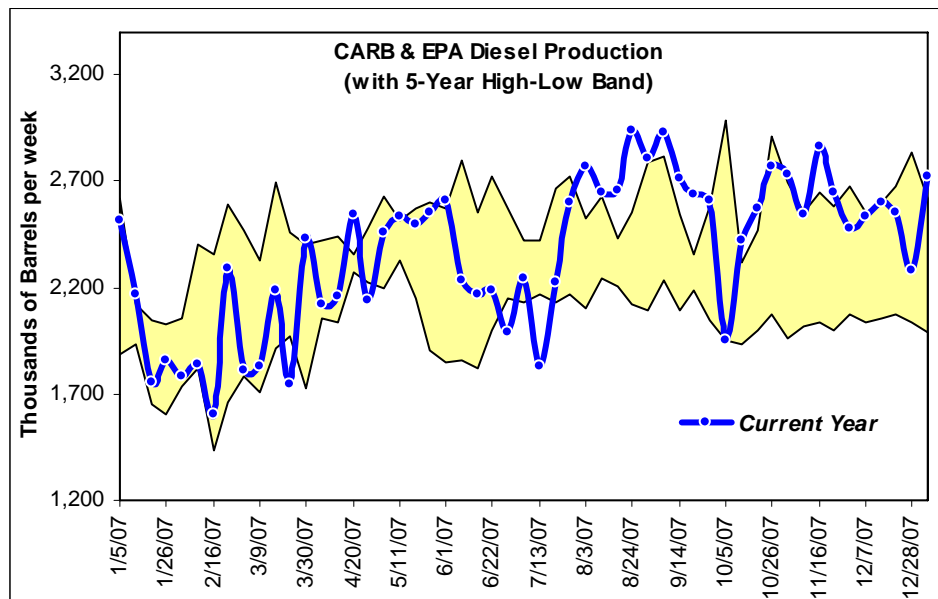
- **Reformulated gasoline production** in California for the week ending January 4 decreased 7.8 percent from the previous week to 7.03 million barrels and is 1.9 percent less than a year ago. Production levels fell to the middle of the five-year range.<sup>ii</sup>



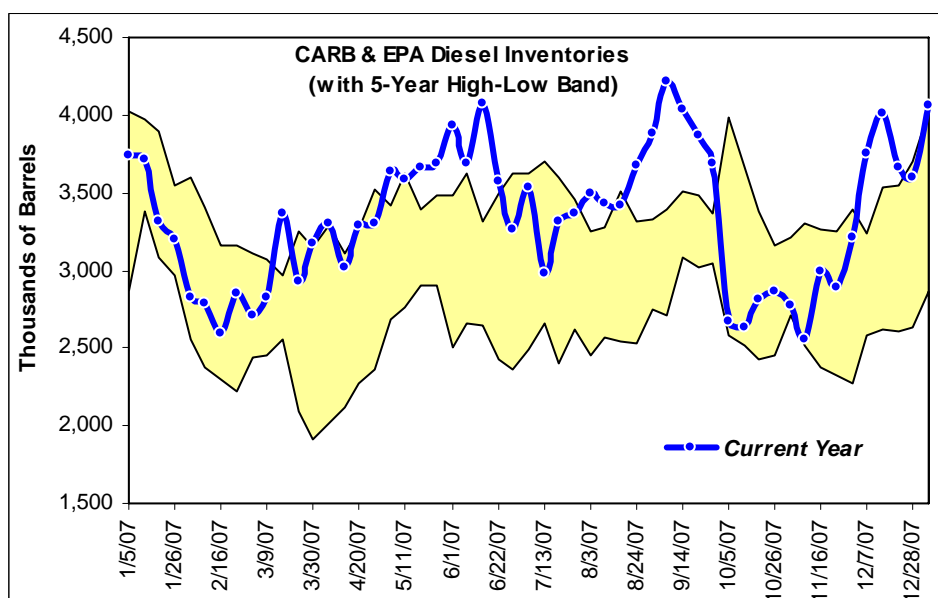
- California reformulated gasoline inventories increased by 0.5 percent last week while gasoline blendstock inventories increased 3.2 percent. As a result, **combined inventories** of reformulated gasoline and gasoline blendstocks in the state **increased by 1.9 percent** to 14.54 million barrels, remaining slightly above the five-year range.



- U.S. gasoline inventories as of January 4 increased sharply to 213.1 million barrels, 5.2 million barrels more than the previous week. Inventories increased on the East and West Coasts but decreased on the Gulf Coast during the latest week.
- California **ultra low-sulfur diesel production** during the week ending on January 4, including both California diesel and U.S. Environmental Protection Agency (EPA) diesel, increased to 2.72 million barrels, 19.5 percent more than the previous week and slightly above the top of the five-year range.

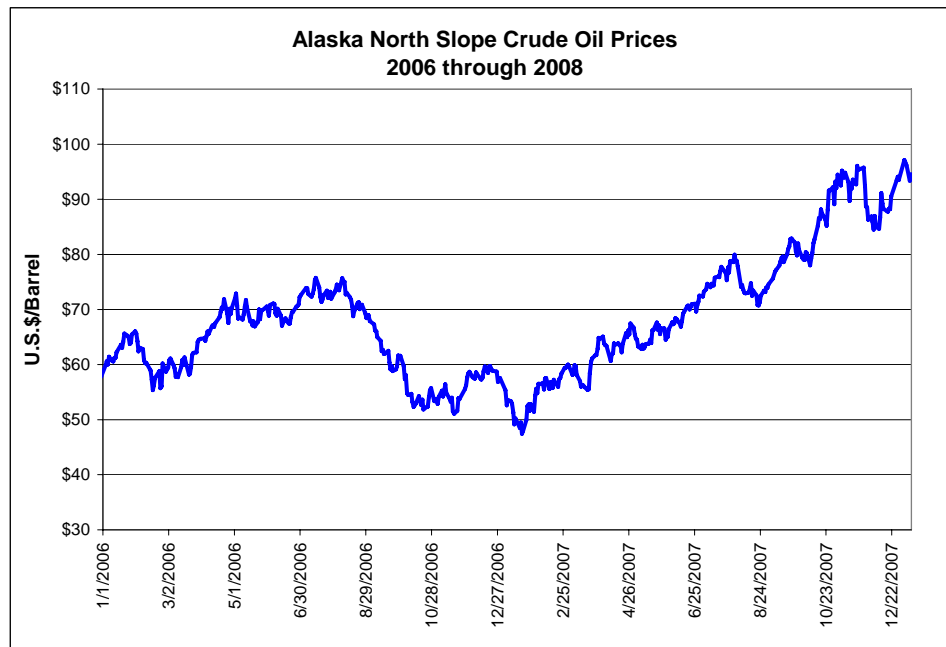


- Combined **ultra low-sulfur diesel inventories** in California increased 12.8 percent from the previous week to 4.07 million barrels, slightly above the five-year range. Total U.S. distillate inventories as of January 4 rose to 128.7 million barrels, 1.52 million barrels more than the previous week. Inventories decreased on the East Coast but increased on the West and Gulf Coasts from the previous week.



### **Crude Oil Prices and Inventories**

- Since the last Petroleum Watch report, West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, rose to a record high of \$97.12 per barrel on January 2.<sup>iii</sup> On that day, NYMEX briefly traded at \$100 per barrel. Further weakness of the U.S. dollar, geopolitical tensions stemming from the Benazir Bhutto assassination on December 27, violence in which 14 were killed in Port Harcourt, Nigeria, on January 2, a confrontation between Iranian speedboats and U.S. warships on January 6, and steadily decreasing U.S. crude oil stocks contributed to the price increases. The price of ANS crude oil retreated slightly to \$93.97 on January 9.



- U.S. commercial crude oil inventories as of January 4 fell by 6.74 million barrels from the previous week to 282.8 million barrels. This is the lowest level since October 15, 2004. Crude oil stocks are 31.8 million barrels less than this time last year and 8.8 million barrels lower than the five-year average. California crude oil stocks fell 4.5 percent from the previous week to 14.7 million barrels but are 26.4 percent more than last year.

<sup>i</sup> Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

<sup>ii</sup> California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

<sup>iii</sup> ANS crude oil prices are from *The Wall Street Journal*.